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THE DEPARTMENT OF STATE BULLETIN

AUGUST 10, 1940

Vol. III: No. 59—Publication 1493

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STATEMENT OF EXPENSES AND RECEIPTS

FOR THE MONTH OF JUNE 1863

RECEIVED FROM THE STATE OF PENNSYLVANIA

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General

STATEMENT BY THE SECRETARY OF STATE

[Released to the press August 6]

The strong belief of the representatives of the 21 American nations at the recent Habana Meeting was that the military and other sinister activities on the part of some nations in other large areas of the world present real possibilities of danger to the American republics. It was universally recognized that a threat to any important part of the Americas means a threat to each and all of the American nations. It was, therefore, agreed that full and adequate preparations for continental defense could not be taken too soon if the threatened danger from abroad was to be checked and terminated. It was also the unanimous view at Habana that the prompt strengthening of unity and solidarity for the purpose of continental defense and for its implementation by concrete programs supported by the 21 nations was indispensable to the safety, security, peace, and welfare of this hemisphere.

There was general agreement that if the peaceful nations of Europe had thus promptly organized themselves for self-defense on the most effective cooperative basis, the chances are that their situation and that of Europe would be vastly different today. Instead, many of those countries complacently relied upon utterances of peaceful purpose and upon their own neutrality to safeguard them against the mighty forces of invasion, conquest, and destruction. Some of them have been overrun and destroyed by the ruthless invader. Their fate should be a tragic lesson to us.

The vast forces of lawlessness, conquest, and destruction are still moving across the earth like a savage and dangerous animal at large. By their very nature, those forces will not stop

unless and until they recognize that there exists unbreakable resistance.

At Habana we forged new instrumentalities of continental defense. These will be of vast importance to our Nation and to every American nation. But there are other and immense tasks still before us.

I would greatly prefer to say that we are safe in this country and in this hemisphere from outside danger. But I am firmly convinced that what is taking place today in many areas of the earth is a relentless attempt to transform the civilized world as we have known it into a world in which lawlessness, violence, and force will reign supreme, as they did a thousand years ago. The people of this country cannot recognize too soon this fact and its overwhelming significance for our national safety and for the maintenance of our national institutions.

The one and only sure way for our Nation to avoid being drawn into serious trouble or actual war by the wild and destructive forces now abroad elsewhere in the world and to command respect for its rights and interests abroad is for our people to become thoroughly conscious of the possibilities of danger, to make up their minds that we must continue to arm, and to arm to such an extent that the forces of conquest and ruin will not dare make an attack on us or on any part of this hemisphere. To this end, each citizen must be ready and willing for real sacrifice of time and of substance and for hard personal service. In the face of terrific problems and conditions, and until the present serious threats and dangers have disappeared, we cannot pursue complacently the course of our customary normal life.

I feel constrained thus to offer my views in the light of what is already a dangerously widespread movement for world conquest and for the destruction of most of the worthwhile things which civilization has given the human race.

LICENSES UNDER THE EXPORT-CONTROL ACT

[Released to the press August 9]

During the period July 5-31, 1940, inclusive, the Division of Controls received 6,242 applications for license to export articles or materials listed in the President's proclamation of July 2, 1940,¹ establishing export restrictions under the authority of section 6 of the act of Congress approved the same day. Of this number, 5,397 applications were disposed of on or before July 31, and 845 remained pending at the end of the month. Of the applications disposed of, 4,361 were granted, 236 were rejected on the ground that the articles or materials in question were essential to the national defense, 104 were returned with the request that further data be submitted, and 696 were returned with the statement that no license was required for the contemplated exportation.

American Republics

DINNERS IN HONOR OF DELEGATIONS TO THE HABANA MEETING OF THE MINISTERS OF FOREIGN AFFAIRS

Brazilian Delegation

[Released to the press August 6]

The following guests attended the dinner given on August 6, 1940, by the Acting Secretary of State, the Honorable Sumner Welles, at his home, Oxon Hill, Md., in honor of the Brazilian delegation to the Habana Meeting of the Ministers of Foreign Affairs:

His Excellency Carlos Martins, Ambassador of Brazil
His Excellency Dr. Mauricio Nabuco, Chairman of the
Brazilian Delegation and Undersecretary of State
for Foreign Affairs of Brazil

¹ See the *Bulletin* of July 6, 1940 (vol. III, no. 54), pp. 12-13.

The Honorable Dr. Antonio Camillo de Oliveira, Member of Brazilian Delegation

Dr. Abelardo Bueno do Prado, Member of Brazilian Delegation

The Honorable Henry A. Wallace, Secretary of Agriculture

The Honorable Key Pittman, United States Senate

The Honorable Sol Bloom, House of Representatives

The Honorable Charles A. Eaton, House of Representatives

The Honorable James A. Shanley, House of Representatives

The Honorable Jesse Jones, Federal Loan Administrator

Mr. Drew Pearson

Argentine and Uruguayan Delegations

[Released to the press August 7]

The following guests attended the dinner given at the Mayflower Hotel, Washington, August 7, 1940, by the Acting Secretary of State, the Honorable Sumner Welles, in honor of the Argentine and Uruguayan delegations to the Habana Meeting of the Ministers of Foreign Affairs:

His Excellency Señor Don Felipe A. Espil, Ambassador of Argentina

His Excellency Dr. Leopoldo Melo, Chairman of the Argentine Delegation to the Habana Conference

The Honorable J. Richling, Minister of Uruguay

His Excellency Dr. Pedro Manini Rios, Chairman of the Uruguayan Delegation to the Habana Conference

The Honorable Dr. José A. Mora Otero, Member of the Uruguayan Delegation to the Habana Conference

The Honorable Frank Knox, Secretary of the Navy

The Honorable Tom Connally, United States Senate

The Honorable Elbert D. Thomas, United States Senate

The Honorable Guy M. Gillette, United States Senate

The Honorable Luther Johnson, House of Representatives

The Honorable Ed. V. Izac, House of Representatives

The Honorable Foster Stearns, House of Representatives

General George C. Marshall, Chief of Staff

Admiral Harold R. Stark, Chief of Naval Operations

The Honorable Henry F. Grady, Assistant Secretary of State

The Honorable Breckinridge Long, Assistant Secretary of State

Mr. Felix Belair, Jr.

Mr. Constantine Brown

Mr. Ernest Lindley

Mr. Philip W. Bonsal, Department of State

Mr. H. Charles Spruks, Department of State

Commercial Policy

AGREEMENT WITH THE UNION OF SOVIET SOCIALIST REPUBLICS

[Released to the press August 7]

The Acting Secretary of State, Mr. Sumner Welles, made the following statement regarding the commercial agreement with the Union of Soviet Socialist Republics:

It may be noted that notes were exchanged August 6, 1940, between this Government and the Soviet Government extending until August 6, 1941, the commercial agreement which in its present form was first concluded between the two countries on August 4, 1937. The present agreement is similar to those in effect during the previous three years in all respects except that there has been added a proviso to the note referring to the minimum amount of purchases (\$40,000,000) to be made in the United States by the Soviet economic organizations. This proviso takes into account the possibility that various export restrictions imposed by the United States in the course of its national-defense program may make it impossible for these organizations to carry out their intentions.

It is a source of deep gratification that we are able by means of this agreement to continue our commercial relations with the Union of Soviet Socialist Republics on the present basis, and it is to be hoped that during the coming year they will develop in a manner advantageous to both parties.

[Released to the press August 6]

The commercial agreement between the United States of America and the Union of Soviet Socialist Republics which was proclaimed and became effective on August 6, 1937, and which was renewed for successive periods of one year on August 5, 1938, and August 2, 1939, was continued in force for another year, that is until August 6, 1941, by an exchange of identic notes at Moscow on August 6, 1940, between the American Chargé d'Affaires ad interim, Mr. Walter C. Thurston, and the People's Commissar for Foreign Trade of the Soviet Union, Mr. A. I. Mikoyan.

As in the previous three agreements, the Soviet Government has informed the American Government that the Soviet economic organizations intend to purchase during the next 12 months American goods to the value of at least \$40,000,000. The agreement takes into account the possibility that various export restrictions imposed by the United States in carrying out its national-defense program may make it impossible for these organizations to carry out their intentions.

The Government of the United States undertakes in the agreement to continue to accord to the commerce of the Soviet Union unconditional most-favored-nation treatment, with a reservation in respect of coal, deemed necessary because of the nature of the coal-tax provisions of the Revenue Act of 1932. Under this agreement, therefore, the Soviet Union will continue to receive the benefits of concessions granted by the United States in trade agreements with countries other than Cuba entered into under the authority of the Trade Agreements Act.

The Soviet Government has renewed in a note accompanying the agreement its commitment to export to the United States in the next 12 months not more than 400,000 tons of Soviet coal which was approximately the quantity of Soviet coal exported to the United States in the calendar year 1936. While there were imports of coal during each of the first three agreement years, such imports did not in any such year amount to as much as one half the 400,000-ton limitation. Since October 1939 there have been no imports of Soviet coal.

The following table gives the value in dollars of United States exports to and imports from the Soviet Union in the agreement years:

Agreement year (Aug.-July)	U. S. domestic exports to U. S. S. R. (thousands of U. S. dollars)	U. S. imports for consumption from U. S. S. R. (thousands of U. S. dollars)
1935-36	33,286	21,200
1936-37	31,018	23,240
1937-38	64,224	22,874
1938-39	50,255	24,761
1939-40 * (first 11 months)	67,779	23,916

* Preliminary.

The text of the identic notes exchanged at Moscow between the American Chargé, Mr. Walter C. Thurston, and the People's Commissar for Foreign Trade of the Union of Soviet Socialist Republics, Mr. A. I. Mikoyan, is as follows:

MOSCOW, August 6, 1940.

EXCELLENCY:

In accordance with the conversations which have taken place, I have the honor to confirm on behalf of my Government the agreement which has been reached between the Governments of our respective countries that the agreement regarding commercial relations between the United States of America and the Union of Soviet Socialist Republics recorded in the exchange of notes of August 4, 1937, between the Ambassador of the United States of America and the People's Commissar for Foreign Affairs of the Union of Soviet Socialist Republics, which came into force on August 6, 1937 on the date of proclamation thereof by the President of the United States of America and approval thereof by the Council of People's Commissars of the Union of Soviet Socialist Republics, and which was renewed on August 5, 1938, and August 2, 1939, shall continue in force until August 6, 1941. The present agreement should be proclaimed by the President of the United States of America and approved by the Council of People's Commissars of the Union of Soviet Socialist Republics.

Accept [etc.]

WALTER C. THURSTON

The following text is that of the agreement of August 4, 1937:²

With reference to recent conversations which have taken place in regard to commerce between the United States of America and the Union of Soviet Socialist Republics, I have the honor to confirm and to make of

² Executive Agreement Series No. 105.

record by this note the following agreement which has been reached between the Governments of our respective countries:

One. The United States of America will grant to the Union of Soviet Socialist Republics unconditional and unrestricted most-favored-nation treatment in all matters concerning customs duties and charges of every kind and in the method of levying duties, and, further, in all matters concerning the rules, formalities and charges imposed in connection with the clearing of goods through the customs, and with respect to all laws or regulations affecting the sale or use of imported goods within the country.

Accordingly, natural or manufactured products having their origin in the Union of Soviet Socialist Republics shall in no case be subject, in regard to the matters referred to above, to any duties, taxes or charges other or higher, or to any rules or formalities other or more burdensome, than those to which the like products having their origin in any third country are or may hereafter be subject.

Similarly, natural or manufactured products exported from the territory of the United States of America and consigned to the territory of the Union of Soviet Socialist Republics shall in no case be subject with respect to exportation and in regard to the above-mentioned matters, to any duties, taxes, or charges other or higher, or to any rules or formalities other or more burdensome, than those to which the like products when consigned to the territory of any third country are or may hereafter be subject.

Any advantage, favor, privilege or immunity which has been or may hereafter be granted by the United States of America in regard to the above-mentioned matters, to a natural or manufactured product originating in any third country or consigned to the territory of any third country shall be accorded immediately and without compensation to the like product originating in or consigned to the territory of the Union of Soviet Socialist Republics.

It is understood that so long as and in so far as existing law of the United States of America may otherwise require, the foregoing provisions, in so far as they would otherwise relate to duties, taxes or charges on coal, coke manufactured therefrom, or coal or coke briquettes, shall not apply to such products imported into the United States of America. If the law of the United States of America shall not permit the complete operation of the foregoing provisions with respect to the above-mentioned products, the Union of Soviet Socialist Republics reserves the right within fifteen days after January 1, 1938, to terminate this agreement in its entirety on thirty days' written notice.

It is understood, furthermore, that the advantages now accorded or which may hereafter be accorded by

the United States of America, its territories or possessions, the Philippine Islands, or the Panama Canal Zone to one another or to the Republic of Cuba shall be excepted from the operation of this agreement.

Nothing in this agreement shall be construed to prevent the adoption of measures prohibiting or restricting the exportation or importation of gold or silver, or to prevent the adoption of such measures as the Government of the United States of America may see fit with respect to the control of the export or sale for export of arms, ammunition, or implements of war, and, in exceptional cases, all other military supplies. It is understood that any action which may be taken by the President of the United States of America under the authority of Section 2 (b) of the Neutrality Act of 1937 in regard to the passage of title to goods shall not be considered as contravening any of the provisions of this agreement relating to the exportation of natural or manufactured products from the territory of the United States of America.

Subject to the requirement that no arbitrary discrimination shall be effected by the United States of America against importations from the Union of Soviet Socialist Republics and in favor of those from any third country, the foregoing provisions shall not extend to prohibitions or restrictions (1) imposed on moral or humanitarian grounds, (2) designed to protect human, animal, or plant life, (3) relating to prison-made goods, or (4) relating to the enforcement of police or revenue laws.

Two. On its part the Government of the Union of Soviet Socialist Republics will take steps to increase substantially the amount of purchases in the United States of America for export to the Union of Soviet Socialist Republics of articles the growth, produce, or manufacture of the United States of America.

Three. This agreement shall come into force on the day of proclamation thereof by the President of the United States of America and of approval thereof by the Soviet of People's Commissars of the Union of Soviet Socialist Republics, which proclamation and approval shall take place on the same day. It shall continue in effect for twelve months. Both parties agree that not less than thirty days prior to the expiration of the aforesaid period of twelve months they shall start negotiations regarding the extension of the period during which the present agreement shall continue in force.

The following communications, exchanged between the American Chargé and the People's Commissar for Foreign Trade, concern the amount of purchases which the Government of

the Union of Soviet Socialist Republics intends to make in the United States during the next 12 months in connection with the commercial agreement entered into between the United States and the Soviet Union on August 6, 1940:

Moscow, August 6, 1940.

EXCELLENCY:

I have the honor to refer to our recent conversations in regard to the commerce between the United States of America and the Union of Soviet Socialist Republics and to ask you to let me know the value of articles, the growth, produce or manufacture of the United States of America, which the Government of the Union of Soviet Socialist Republics intends to purchase in the United States of America during the next twelve months for export to the Union of Soviet Socialist Republics.

Except [etc.]

WALTER C. THURSTON

[Translation]

Moscow, August 6, 1940.

MR. CHARGÉ D'AFFAIRES:

In reply to your inquiry regarding the intended purchases by the Union of Soviet Socialist Republics in the United States of America in the course of the next twelve months, I have the honor to inform you that the economic organizations of the Union of Soviet Socialist Republics intend to buy in the United States of America in the course of the next twelve months American goods to the value of at least \$40,000,000.

If, however, restrictions imposed on exports by the Government of the United States should render it difficult for Soviet economic organizations to satisfy their needs in the United States, it may be impossible for these organizations to carry out their intentions. The Government of the Union of Soviet Socialist Republics is therefore not in a position at the present time to guarantee the above-mentioned value of its purchases in the United States.

Accept [etc.]

WALTER C. THURSTON

[Released to the press August 10]

The commercial agreement between the United States and the Union of Soviet Socialist Republics, signed on August 6, 1940, was proclaimed by the President on August 7. On the same day, the agreement was approved by the Council of People's Commissars of the Union of Soviet Socialist Republics.

The Foreign Service

PRESS INTERVIEW BY THE AMERICAN AMBASSADOR TO BELGIUM

Statement of the Acting Secretary of State, Mr. Welles

[Released to the press August 9]

I have now received from the American Embassy in London a transcript of the notes of the press interview given by Ambassador Cudahy in London on Tuesday, August 6, last.

From the transcript it would appear that Ambassador Cudahy received at an informal gathering some American correspondents and representatives of the British press who had requested interviews with him.

As I previously stated, the Ambassador's interview was given without prior authorization from, or without prior notification to, the Department of State.

I am sure that no one will question the sincerity of the Ambassador's sympathetic interest in the future well-being of the Belgian peo-

ple, an interest which is shared by the people of the United States. Nevertheless, the interview given was in violation of standing instructions of the Department of State, and certain of the views expressed by the Ambassador are not to be construed as representing the views of this Government.

The incident illustrates once again the importance which must be attributed by American representatives abroad to the Department's instructions to refrain at this critical time from making public statements other than those made in accordance with the instructions of the Department of State.

By direction of the President, Ambassador Cudahy has been requested to return to the United States immediately for consultation.

PERSONNEL CHANGES

[Released to the press August 10]

The following changes have occurred in the Foreign Service since August 3, 1940:

Leland B. Morris, of Philadelphia, Pa., Consul General at Vienna, Germany, has been designated Counselor of Embassy and Consul General at Berlin, Germany, and will serve in dual capacity.

The assignment of James J. Murphy, Jr., of Pennsylvania, as Consul General at Rotterdam, Netherlands, has been canceled. Mr. Murphy has now been assigned as Consul General at Hamburg, Germany.

Hugh S. Fullerton, of Springfield, Ohio, First Secretary of Embassy and Consul at Paris,

France, has been assigned as Consul at Marseille, France.

Samuel H. Wiley, of Salisbury, N. C., Consul at Havre, France, has been assigned as Consul at Lisbon, Portugal.

George J. Haering, of Huntington Station, N. Y., has been assigned as Consul at Vigo, Spain.

The assignment of Joseph F. Burt, of Fairfield, Ill., as Consul at Prague, Bohemia, has been canceled. Mr. Burt has now been assigned as Consul at Valparaiso, Chile.

Thomas C. Wasson, of Newark, N. J., Consul at Vigo, Spain, has been assigned as Consul at Dakar, French West Africa, where an American Consulate will be established.

Jacob D. Beam, of Princeton, N. J., Third Secretary of Embassy at Berlin, Germany, has been assigned for duty in the Department of State.

Maurice Pasquet, of New York, N. Y., Vice Consul at Dairen, Manchuria, has been assigned as Vice Consul at St. Pierre-Miquelon, where an American Consulate will be reopened.

Treaty Information

Compiled in the Treaty Division

OPIUM

International Opium Convention (1925)

Switzerland

With reference to the circular letter from the League of Nations dated October 25, 1939,³ communicating for information the text of a letter addressed to the states parties to the International Opium Convention of February 14, 1925, concerning the acceptance by certain states, including Switzerland, of a new resolution of the Health Committee applicable to the preparations based on Indian-hemp extract or tincture, the Secretary General of the League transmitted to the Secretary of State with a circular letter dated May 27, 1940, the following letter from the Swiss Federal Political Department dated November 18, 1939:

In a circular letter dated October 25th last, the Secretariat of the League of Nations informed the Federal Political Department that, several countries, including Switzerland, having accepted the Health Committee's resolution of May 1939 concerning the application of Article 10 of the Convention of February 14th, 1925, to preparations based on Indian hemp extract or tincture, the provisions of that agreement had become immediately applicable to the preparations referred to by the said resolution in relations between States. This communication was immediately transmitted to the Federal Public Health Service.

In agreement with this Service and referring to its note of August 7th, 1939, the Political Department has the honour to draw the Secretariat's attention to the fact that, as Indian hemp extract and tincture are not

yet subject to the supervision instituted under the Swiss legislation on narcotics now undergoing revision, the acceptance by the competent Federal authorities of the Health Committee's resolution cannot take effect within Switzerland until the new Federal law comes into force.

Requesting the Secretariat to bring the foregoing to the attention of the Governments concerned, the Department has the honour, etc.

BERNE, November 18th, 1939.

To the Secretariat of the
League of Nations, Geneva.

COMMERCE

Agreement With the Union of Soviet Socialist Republics

An announcement regarding the commercial agreement between the United States and the Union of Soviet Socialist Republics, signed August 6, 1940, appears in this *Bulletin* under the heading "Commercial Policy".

INTERNATIONAL LAW

International Institute for the Unification of Private Law

The American Ambassador to Italy transmitted to the Secretary of State with a despatch dated May 16, 1940, a copy of the new Fundamental Statute of the International Institute for the Unification of Private Law. The Institute which is now established in Rome was formerly a part of the League of Nations with headquarters in Geneva.

According to information furnished by the Italian Foreign Office the statute, which is dated

³ See the *Bulletin* of December 9, 1939 (vol. I, no. 24), pp. 680-681.

March 15, 1940, entered into force on April 21, 1940. The following countries have adhered to the statute: Belgium, Bolivia, Colombia, Finland, Germany, Greece, Hungary, Ireland, Italy, Lithuania, the Netherlands, Nicaragua, Rumania, Spain, Sweden, Switzerland, and Uruguay.

Legislation

Two Supplemental Estimates of Appropriations for State Department, 1941: Communication from the President of the United States transmitting two supplemental estimates of appropriations for the Department of State, for the fiscal year 1941, amounting to \$305,500. (H. Doc. 892, 76th Cong., 3d sess.) 2 pp. 5¢.

Publications

DEPARTMENT OF STATE

Reciprocal Recognition of Load Line Regulations for Vessels Engaged in International Voyages on the Great Lakes: Arrangement between the United States of America and Canada.—Effectuated by exchanges of notes signed April 29, 1938, August 24, 1938, October 22, 1938, September 2, 1939, October 18, 1939, January 10, 1940, and March 4, 1940. Executive Agreement Series No. 172. Publication 1482. 9 pp. 5¢.

Achievements of the Second Meeting of the Foreign Ministers of the American Republics: Statement of the Honorable Cordell Hull, Secretary of State, at the close of the Meeting, Habana, July 30, 1940. Conference Series 47. Publication 1488. 8 pp. 5¢.

U. S. GOVERNMENT PRINTING OFFICE: 1940

For sale by the Superintendent of Documents, Washington D. C.—Price 10 cents - - - - - Subscription price, \$2.75 a year

PUBLISHED WEEKLY WITH THE APPROVAL OF THE DIRECTOR OF THE BUREAU OF THE BUDGET